

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: AQUILA, INC., d/b/a AQUILA NETWORKS	DOCKET NO. TF-03-556
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ORDER DELAYING PROCEDURAL SCHEDULE

(Issued February 4, 2004)

On December 17, 2003, Aquila, Inc., d/b/a Aquila Networks (Aquila), filed proposed revisions to its Iowa tariff to reflect changes in the Federal Energy Regulatory Commission (FERC) approved tariff of Northern Natural Gas Company (Northern), a pipeline that serves Aquila. In Northern's current FERC rate case, Docket No. RP03-398-000, FERC issued an order relating to technical conference issues approving the cash-out provisions related to over- and under-takes by Northern's transportation customers. The tariff provisions approved by FERC were designed to limit arbitrage by transportation customers. Aquila proposes to adopt Iowa tariff provisions consistent with Northern's new FERC tariff language.

On January 6, 2004, Cornerstone Energy, Inc. (Cornerstone), filed an objection to Aquila's proposed changes. On January 16, 2004, the Board issued an order docketing the proposed tariff. The Board stated in the order that it would not set a procedural schedule to allow Aquila and Cornerstone an opportunity to resolve the issues raised by Cornerstone. On January 20, 2004, Aquila filed a pleading that

indicated it had been unable to resolve the issues raised by Cornerstone and requesting the Board establish a procedural schedule.

The Board understands that the proposed tariff language reflects tariffs approved by FERC for Northern. The Board also understands that the tariff provisions are before FERC on rehearing and that FERC has indicated it will issue an order on rehearing on or before March 8, 2004. The Board finds that a procedural schedule should not be established until FERC issues its order on rehearing. If FERC reverses or otherwise changes the prior order then the issues in this docket may become moot or further discussions may be useful.

IT IS THEREFORE ORDERED:

The Board will delay establishing a procedural schedule in this docket until after the Federal Energy Regulatory Commission issues its order on rehearing of the technical conference issues in FERC Docket No. RP03-398-000.

UTILITIES BOARD

/s/ Diane Munns

/s/ Mark O. Lambert

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 4th day of February, 2004.